

## ***WORKING TOWARD INDEPENDENCE***

### **Summary of the Bush Proposal**

#### **STRENGTHEN THE FEDERAL-STATE PARTNERSHIP**

**Maintain Current Levels of the TANF Block Grant.** The basic federal block grant will be reauthorized at \$16.6 billion annually for FY 2003-2007.

**Continue Current MOE Requirement.**

**Reinstate Supplemental Grants to States that Have Low Levels of Funding per Poor Person, or High Rates of Growth.** Supplemental grants will be reinstated at \$319 million annually.

**Clarifies "Assistance" Definition.** Childcare and other work support services will not be defined as assistance.

**Reauthorize and Improve the Contingency Fund.** \$2 billion will be available to help states that experience high or growing levels of unemployment or increasing food stamp caseloads. Spending on childcare and separate state programs will be counted toward the contingency fund MOE requirement. Modifies the reconciliation process so states that qualified for grants for less than a full year will not have their matching rate increased.

**Allow State Designation of "Rainy Day Funds."**

**Increase Flexibility for Carried-Over Funds.** Allows funds carried over from previous years to be spent on any benefit, service, or activity otherwise allowed under TANF.

**Restore Full Transfer Authority to the Social Services Block Grant.** The transfer limit will increase to 5% in FY 2004, 6% in FY 2005, 8% in FY 2006, and 10% in FY 2007.

**Maintains Current Level of Childcare Funding.** Funding will continue at \$2.7 billion in FY 2003. In addition, the Administration is requesting \$2.1 billion in discretionary spending.

#### **MAXIMIZE SELF-SUFFICIENCY THROUGH WORK AND ADDITIONAL CONSTRUCTIVE ACTIVITIES**

**Require Welfare Agencies to Engage All Families.** States must engage all families in work and other constructive activities leading to self-sufficiency. TANF agencies will be required to ensure that:

- Within 60 days, each family has an individualized plan for pursuing their maximum degree of self-sufficiency;
- All families are participating in constructive activities;
- Each family's participation in assigned activities is monitored;
- Each family's progress is monitored and regularly reviewed.

**Increase Minimum Participation Rate Requirements.** Beginning in FY 2003, 50% of TANF families with one or more adults must be participating in a combination of work and other activities. The percentage will increase annually by 5% until it reaches 70% in 2007. States will be able to count families that have left welfare due to employment for up to three months.

**Require Families to Participate 40 Hours a Week.** Families must be involved in constructive activities averaging 40 hours per week in order to count toward the required participation rate.

**Increase Work Requirements.** Requires families counted toward participation must also average at least 24 hours per week in work.

**Give Work Credit to Families Engaged in Short-Term Substance Abuse Treatment, Rehabilitation, and Work-Related Training.** Individuals participating in these activities will count towards the 24-hour work requirement.

**Revise Calculation of Participation.** Allows states to count only families that meet both the 24-hour work requirement and the 40-hour full participation requirement toward their participation rate.

**Eliminate Separate Two-Parent Participation Rates.**

**Phase Out the Caseload Reduction Credit.** Beginning in FY 2004, the credit will be halved and in FY 2005 will be eliminated.

**Conform Requirements for Teenage Parents.** Teen parents who are heads of household who are not attending school will have to meet the work and full participation standards in order to be counted toward a state's participation rate.

**Discontinue Outdated State Program Waivers.**

**Conform State Penalty Provision to New Requirement.** The current penalty structure for states failing to meet work participation rates will now apply when a state fails to meet either or both the universal engagement or full participation rate requirements.

**Retain Five-Year Time Limits and 20 Percent Exemption Cap.**

## PROMOTE CHILD WELL-BEING AND HEALTHY MARRIAGES

### **Establish an Overarching Purpose to Improve the Well-Being of Children.**

Amends the overall purpose of TANF to state, "The purpose of this part is to increase the flexibility of states in operating a program designed to improve the well-being of children..."

**Clarify the Encouragement of Healthy Marriages as a TANF Goal.** The revised goal will read, "to encourage the formation and maintenance of healthy two-parent married families and responsible fatherhood."

**Support Demonstrations, Research, and Technical Assistance.** Establishes \$100 million annually focusing on family formation and healthy marriage activities.

**Create a Competitive Matching Grant Program.**

**Require States to Describe Efforts to Promote Marriage as Part of their State Plan.**

**Encourage States to Provide Equitable Treatment of two-Parent Married Families.**

## ENCOURAGE ABSTINENCE AND PREVENT TEEN PREGNANCY

**Reauthorize Abstinence Education Training at Current Levels.**

**Community-Based Abstinence Education.** Increases funding from \$40 million in 2002 to \$73 million in 2003.

**Adolescent Family Life.** Continue current funding of \$12 million.

## IMPROVE PROGRAM PERFORMANCE

**Focus on Employment Achievements.** Replaces the High Performance Bonus with a \$100 million a year Bonus to Reward Employment Achievement. The formula will be developed in consultation with the states and will specify annual numeric targets for individual states. States will compete against their performance in the previous year.

**Address all TANF Purposes.** Requires states to describe in their state plan how they are addressing each of the TANF purposes and how these will help to improve the well-being of children.

**Set Performance Goals.** Requires states to establish specific numerical performance goals for accomplishing each of the TANF purposes.

**Measure and Report Performance.** Requires states to prepare annual performance reports updating their progress in achieving their goals.

**Conduct Research and Provide Technical Assistance.** HHS will, in collaboration with states, identify key performance measures and build uniform data support and reporting methodologies.

**Revise Data Reporting Requirements.**

**Addressing Areas of Special Attention.** Requires states to describe in their state plans, strategies to address specific TANF challenges.

#### ENHANCE CHILD SUPPORT ENFORCEMENT

**Provide Federal Matching Funds for Child Support Pass-Through Payments to Current Recipients.**

**Encourage States to Give Families that Once Received Welfare all of the Child Support Collected on their Behalf.**

**Require States to Regularly Review and Adjust Child Support Orders for Current Recipients.**

**Collect a User Fee from Families that Have Never Received Welfare.**

**Lower the Threshold for Passport Denial.**

**Withhold Limited Social Security Disability Insurance Benefits.**

#### REFORM FOOD STAMPS TO PROMOTE WORK

**Simplify Program Administration.**

**Modify Sanction Policy.**

**Adjust Error Rate Sanctions for States That Have Many Cases with Earnings.**

**Replace Enhanced Funding with State Performance Bonuses.**

**Improve the EBT Program.** Eliminates the cap on EBT costs and aligns EBT costs with other state administrative costs.

**Enable Working Families to Own Reliable Transportation.** Exempts one vehicle per adult from program asset limits. States would also continue to have the option to apply their TANF vehicle rules to the Food Stamp program.

**Phase-In a Higher Standard Deduction for Large Households.**

## PROVIDE FOOD STAMPS FOR LEGAL IMMIGRANTS

**Continues the five-year ban on welfare benefits for noncitizens entering the country after 1996 and proposes to align food stamps with TANF and Medicaid by allowing legal immigrants to receive food stamps five years after entry.**

## FACILITATE PROGRAM INTEGRATION

**Establish New State Program Integration Waivers.** Allows states to seek new waivers for integrating funding and program rules across a broad range of public assistance and workforce development programs. Waivers will be granted on the basis of their likelihood of success. The reforms proposed under these waivers must be cost neutral.

**Broad State Flexibility to Design New Strategies and Approaches for Achieving Stated Program Goals.** Allows states to establish or modify eligibility criteria and program rules subject to specific and minimal federal requirements.

**Maintain Accountability for Program Performance.** Integrated programs for which waivers are granted will be operated as demonstration programs and states will be required to evaluate the program.

**Regular Reports to Congress.**